



ASEP MEDICAL HOLDINGS INC.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 30, 2023**

AND

INFORMATION CIRCULAR

May 31, 2023

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.

ASEP MEDICAL HOLDINGS INC.

420 – 730 View Street
Victoria, BC V8W 3Y7
Telephone: 778-600-0509

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders of ASEP Medical Holdings Inc. (the “**Company**”) will be held at the offices of Clark Wilson LLP at 900 – 885 West Georgia Street, Vancouver, BC V6C 3H1, on Friday, June 30, 2023, at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

- (1) to receive the audited financial statements of the Company for the fiscal year ended December 31, 2022, and the accompanying report of the auditors;
- (2) to set the number of directors of the Company at four (4);
- (3) to elect Dr. Robert E.W. Hancock, Derrold Norgaard, Timothy Murphy and Dr. Richard Heinzl as directors of the Company;
- (4) to appoint Manning Elliott LLP as the auditors of the Company for the fiscal year ending December 31, 2023 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2023;
- (5) to consider and, if thought fit, to approve an ordinary resolution to ratify, confirm and approve the adoption of the Company’s long-term incentive plan as further described in the accompanying information circular (the “**Information Circular**”); and
- (6) to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of Meeting (the “**Notice of Meeting**”).

The board of directors of the Company has fixed May 24, 2023 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please vote by proxy by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

In view of COVID-19, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>). The Company encourages Shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the meeting by proxy.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, or a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 31st day of May, 2023.

By Order of the Board of Directors of

ASEP MEDICAL HOLDINGS INC.

“Dr. Robert E.W. Hancock”
Dr. Robert E.W. Hancock
Chief Executive Officer and Director

**PLEASE VOTE. YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING,
PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED FORM OF PROXY AND PROMPTLY RETURN IT IN
THE ENVELOPE PROVIDED.**

ASEP MEDICAL HOLDINGS INC.

420 – 730 View Street
Victoria, BC V8W 3Y7
Telephone: 778-600-0509

INFORMATION CIRCULAR

May 31, 2023

INTRODUCTION

This information circular (the “**Information Circular**”) accompanies the notice of annual general and special meeting of shareholders (the “**Notice**”) of ASEP Medical Holdings Inc. (the “**Company**”) and is furnished to shareholders (each, a “**Shareholder**”) holding common shares (each, a “**Share**”) of the Company in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. on Friday, June 30, 2023 at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, BC V6C 3H1, or at any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is May 31, 2023. Unless otherwise stated, all amounts herein are in Canadian dollars.

COVID-19

In view of COVID-19, the Company asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>). The Company encourages Shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. As always, the Company encourages Shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the meeting by proxy.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation to any of the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers who are NOBOs (as defined below), and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in

which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxy

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each common share that such Shareholder holds on the record date of May 24, 2023 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.

A SHAREHOLDER MAY EXERCISE THIS RIGHT BY INSERTING THE NAME OF SUCH OTHER PERSON IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

The Shareholder may vote by mail, by telephone or via the Internet by following instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chairman of the Meeting, in his sole discretion, may accept completed forms of proxy on the day of the Meeting or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder’s attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it at anytime before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder’s attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Voting of Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space on the proxy. **The Shares represented by a proxy will be**

voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares of a Shareholder on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder’s name on the records of the Company. Such Shares will more likely be registered under the names of the Beneficial Shareholder’s broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to the names of all Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by his, her or its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. If Beneficial Shareholders receive the voting instruction forms from Broadridge, they are requested to complete and return the voting instruction forms to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the applicable Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his, her or its broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his, her or its Shares.

Beneficial Shareholders consist of non-objecting beneficial owners (each, a "**NOBO**") and objecting beneficial owners (each, an "**OBO**"). A NOBO is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators. An OBO means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under NI 54-101.

The Company is sending proxy-related materials directly to NOBOs of the Shares. The Company will not pay for the delivery of proxy-related materials to OBOs of the Shares under NI 54-101 and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary*. The OBOs of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the board of directors of the Company (the "**Board**") to be the close of business on May 24, 2023, a total of 62,130,344 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of the Company.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2022 together with the auditor's report thereon, will be presented to the Shareholders at the Meeting. The Company's financial statements and management discussion and analysis are available on SEDAR at www.sedar.com

NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at four (4). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Management recommends that Shareholders vote for the approval of setting the number of directors of the Company at four (4).

ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

The Company's Articles contain an advance notice provision (the "**Advance Notice Provision**") of the nomination of directors in certain circumstances. To be timely, the advance notice by the nominating Shareholder (the "**Nominating Shareholder**") must be made:

- (a) in the case of an annual meeting of Shareholders, not less than 30 and not more than 65 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder is to be made not later than the close of business on the 10th day after the Notice Date in respect of such meeting; and
- (b) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of Shareholders was made.

No nominations of directors for the Meeting by the Nominating Shareholders were received in accordance with the provisions of the Advance Notice Provision.

Management of the Company proposes to nominate all of the current directors of the Company, as set out in the table below, for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

| Name, Place of Residence and Position(s) with the Company | Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾ | Director Since | Number of Shares Owned ⁽¹⁾ |
|--|---|------------------------------|---|
| <p>Dr. Robert E.W. Hancock British Columbia, Canada</p> <p><i>Chief Executive Officer and Director</i></p> | <p>Dr. Robert E.W. Hancock, PhD, OC, OBC, has been a faculty member at the University of British Columbia since 1978 and runs a large R&D laboratory there. He is a co-founder of several companies, both private and public, including Migenix Inc., Inimex Pharmaceuticals Inc., ABT Innovations Inc., Sepset Biosciences Inc. and the Centre for Drug Research and Development and is the Canada Research Chair (Tier 1) in microbiology. He is also a director of Core One Labs Inc., a life sciences biotechnology company listed on the Canadian Securities Exchange (the "CSE") and the OTCQB and CEO of Vocan Biotechnologies Inc. He holds 72 patents and is an Officer of the Order of Canada.</p> | <p>November 9, 2021</p> | <p>Nil⁽⁴⁾</p> |
| <p>Derrold Norgaard⁽²⁾⁽³⁾ British Columbia, Canada</p> <p><i>Director</i></p> | <p>Mr. Norgaard is a Fellow of the Chartered Professional Accountants of British Columbia. Mr. Norgaard was formerly a tax partner with KPMG, and held the dual role of Tax and Office Managing Partner at KPMG's Victoria office until his departure. Mr. Norgaard's primary areas of practice include personal tax planning, international tax and corporate taxation. Mr. Norgaard is founder and principal of NKPG Services Ltd., an accounting firm based in Victoria and Vancouver, British Columbia. He has acted as an investor, director and board member of a number of private and public companies.</p> | <p>November 9, 2021</p> | <p>443,732⁽⁵⁾</p> |
| <p>Timothy Murphy⁽²⁾ British Columbia, Canada</p> <p><i>Director</i></p> | <p>Mr. Murphy is an experienced business executive and lawyer. Mr. Murphy sits on numerous boards as both a Director and Advisory Director and also has experience as a CEO. Since 2011, he has been the Founding Partner of Murphy & Company LLP, a business law firm based in Vancouver, British Columbia. From January 2018 to present, Mr. Murphy has acted as a board member and officer with the Rival Group Inc. From October 2018 to August 2019, Mr. Murphy acted as CEO of Casting Workbook Global Ltd. From October 2019 to October 2020, Mr. Murphy served as a Director with Geyser Brands Inc., a health and wellness company listed on the NEX board of the TSX Venture Exchange (the "NEX Board"). Since August 2018, he has served as a Director with the Angus Reid Institute.</p> | <p>November 9, 2021</p> | <p>55,746⁽⁶⁾</p> |
| <p>Dr. Richard Heinzl⁽²⁾ Ontario, Canada</p> <p><i>Director</i></p> | <p>Dr. Heinzl is a physician, humanitarian, entrepreneur and author whose current focus is genomics, artificial intelligence and healthcare worldwide. Based in New York and Toronto, he is currently CEO of My Next Health Inc., a next-generation functional genomics company. Earlier in his career, Dr. Heinzl was the founder of the Canadian chapter of Médecins Sans Frontières/Doctors Without Borders (MSF Canada), which won the Nobel Peace Prize in 1999. Recently, he was Global Medical Director for WorldCare Inc., a Boston-based, Harvard-affiliated virtual medicine company. He graduated from McMaster University's Michael G. DeGroote School of Medicine and completed postgraduate degrees related to global health at Harvard University and the University of Oxford. He is an Emeritus Fellow of the American College of Preventive Medicine. His work and travels have taken him to over 80 countries, and he speaks widely in North America and abroad. In 2000 he received an Honorary Doctorate (LLD) from his alma mater McMaster University and was named one of the "Hundred People Who Make a Difference" in Canada by Penguin Books. In September 2016, he received the Harvard T.H. Chan School of Public Health Alumni Award of Merit, the School's highest award.</p> | <p>September 1, 2022</p> | <p>Nil⁽⁶⁾</p> |

⁽¹⁾ Information has been furnished by the respective nominees individually.

- (2) Member of the Audit Committee.
- (3) Chairman of the Audit Committee.
- (4) Does not include: (i) 900,000 options granted on and exercisable as of November 18, 2021 for \$0.50 per share, (ii) 300,000 options to purchase common shares, granted on and exercisable as of January 19, 2023 for \$0.36 per share, and (iii) 700,000 restricted share units.
- (5) Does not include: (i) 300,000 options to purchase common shares granted on and exercisable as of November 18, 2021 for \$0.50 per share, and (ii) 400,000 restricted share units.
- (6) These Shares are held indirectly by Mr. Murphy through Murphy Enterprises Inc., a company owned and controlled by Mr. Murphy. Does not include: (i) 300,000 options to purchase common shares granted on and exercisable as of November 18, 2021 for \$0.50 per share, (ii) 200,000 options to purchase common shares granted on and exercisable as of November 24, 2022 for \$0.30 per share, and (iii) 500,000 restricted share units.
- (7) Does not include: (i) 100,000 options to purchase common shares granted on and exercisable as of September 29, 2022 for \$0.30 per share, (ii) 100,000 options to purchase common shares that were granted on September 29, 2022, but will be exercisable on September 29, 2023 for \$0.30 per share, and (iii) 400,000 restricted share units.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Shares represented by proxies for the election of any other persons as directors.

Management recommends that Shareholders vote for the election of each of the nominees listed above as a director of the Company.

Orders

Other than disclosed below, to the best of management's knowledge, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Dr. Robert E.W. Hancock is the Executive Chairman of Core One Labs Inc., a company trading on the CSE. On May 3, 2022, Core One Labs Inc. issued a news release stating that it anticipated a delay in filing its audited financial statements for the year ended December 31, 2021, and the related management's discussion and analysis. On April 25, 2022, Core One Labs Inc. applied to the BCSC for a Management Cease Trade Order. The Management Cease Trade Order was granted on May 3, 2022. The Management Cease Order is applicable to the CEO and CFO of Core One Labs Inc. On April 28, 2021, Core One Labs Inc. issued a news release stating that it anticipated a delay in filing its audited financial statements for the year ended December 31, 2020, and the related management's discussion and analysis. On April 28, 2021, Core One Labs Inc. applied to the BCSC for a Management Cease Trade Order. The Management Cease Trade Order was granted on May 4, 2021. The Management Cease Order is applicable to the CEO and CFO of Core One Labs Inc. The filings have since been filed and the Management Cease Trade Order was revoked on June 29, 2021.

Timothy Murphy served as a director of Geyser Brands Inc., a company trading on the NEX Board, from October 2019 to October 2020. On September 17, 2020, Geyser Brands Inc. received a failure-to-file cease trade order (“**FFCTO**”) from the BCSC for failure to file its annual financial statements for the year ended March 31, 2020, and the related management’s discussion and analysis. The FFCTO was subsequently partially revoked by the BCSC on March 8, 2021. Timothy Murphy resigned as a director of Geyser Brands Inc. effective October 21, 2020.

Bankruptcies

To the best of management’s knowledge, no proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

Penalties and Sanctions

To the best of management’s knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Statement of Executive Compensation:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“**CFO**”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year, and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

“plan” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

| Name and Position | Year | Salary, Consulting Fee, Retainer or Commission (\$) | Bonus (\$) | Committee or Meeting Fees (\$) | Value of Perquisites ⁽²⁾ (\$) | Value of All Other Compensation (\$) | Total Compensation (\$) |
|--|-----------------------------|---|----------------|--------------------------------|--|--------------------------------------|-------------------------|
| Dr. Robert E.W. Hancock ⁽³⁾ <i>CEO and Director and former Chief Operating Officer</i> | 2022 2021 ⁽¹⁾ | 45,000 Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | 45,000 Nil |
| Jacqueline Tucker ⁽⁴⁾ <i>CFO</i> | 2022 2021 ⁽¹⁾ | 22,500 N/A | Nil N/A | Nil N/A | Nil N/A | Nil N/A | 22,500 N/A |
| Dr. Fadia Saad ⁽⁵⁾ <i>Chief Business Development Officer</i> | 2022 2021 ⁽¹⁾ | 180,000 30,000 | Nil Nil | Nil Nil | Nil Nil | Nil Nil | 180,000 30,000 |
| Dr. Evan Haney ⁽⁶⁾ <i>Chief Science Officer</i> | 2022 2021 ⁽¹⁾ | 72,041 11,667 | 5,201 5,201 | Nil Nil | Nil Nil | Nil Nil | 77,242 16,668 |
| Timothy Murphy ⁽⁷⁾ <i>Chief Operating Officer, Corporate Secretary and Director</i> | 2022 2021 ⁽¹⁾ | 60,000 Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | 60,000 Nil |
| Rudy Mazzocchi ⁽⁸⁾ <i>Former Executive Chair, CEO and Director</i> | 2022 2021 ⁽¹⁾ | 140,000 20,000 | N/A Nil | N/A Nil | N/A Nil | N/A Nil | N/A 20,000 |
| Jennifer Gretchen ⁽⁹⁾ <i>Former CFO and Corporate Secretary</i> | 2022 2021 ⁽¹⁾ | 112,500 25,000 | N/A Nil | N/A Nil | N/A Nil | N/A Nil | N/A 25,000 |

| | | | | | | | |
|---|-----------------------------|---------------|------------|------------|------------|------------|---------------|
| Derrold Norgaard ⁽¹⁰⁾ <i>Director</i> | 2022 2021 ⁽¹⁾ | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil |
| Dr. Richard Heinzl ⁽¹¹⁾ <i>Director</i> | 2022 2021 ⁽¹⁾ | 18,000 N/A | Nil N/A | Nil N/A | Nil N/A | Nil N/A | 18,000 N/A |

(1) The Company was incorporated on January 20, 2021.

(2) "Perquisites" include perquisites provided to a NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

(3) Dr. Robert E.W. Hancock has been the CEO of the Company since June 30, 2022 and a director of the Company since November 9, 2021. He was the Chief Operating Officer from November 9, 2021 to July 12, 2022. Dr. Hancock has accrued \$15,000 per month from October 1, 2022 to December 31, 2022, pursuant to the terms of the Hancock Agreement (as defined herein).

(4) Ms. Tucker has been the CFO of the Company since October 1, 2022. Ms. Tucker has accrued \$7,500 per month, of which \$6,000 per month has been paid from October 1, 2022 to December 31, 2022, pursuant to the terms of the Tucker Consulting Agreement (as defined herein).

(5) Dr. Fadia Saad has been the Chief Business Development Officer of the Company since November 9, 2021. Pursuant to the Saad Employment Agreement (as defined herein), Ms. Saad receives an annual fee of \$180,000.

(6) Dr. Evan Haney has been the Chief Science Officer of the Company since November 9, 2021.

(7) Mr. Murphy has been the Chief Operating Officer of the Company since June 30, 2022, the Corporate Secretary of the Company since October 1, 2022 and a director of the Company since November 9, 2021. Mr. Murphy has accrued \$10,000 per month from June 30, 2022 to December 31, 2022, pursuant to the terms of the Murphy Consulting Agreement (as defined herein).

(8) Mr. Mazzocchi was the Executive Chairman, CEO and a director of the Company from November 9, 2021 until July 12, 2022. Pursuant to the RAM Consulting Agreement (as defined herein), Mr. Mazzocchi indirectly received a consulting fee of \$20,000 per month.

(9) Ms. Gretchen was the CFO and Corporate Secretary of the Company from November 9, 2021 to October 1, 2022. Pursuant to the Gretchen Agreement (as defined herein), Ms. Gretchen received an annual fee of \$150,000.

(10) Mr. Norgaard has been a director of the Company since November 9, 2021.

(11) Dr. Heinzl has been a director of the Company since September 1, 2022. Pursuant to a director services agreement, Dr. Heinzl receives an annual fee of \$72,000.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended December 31, 2022 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

| Compensation Securities | | | | | | | |
|-------------------------|-------------------------------|--|------------------------|---|---|--|-------------|
| Name and Position | Type of Compensation Security | Number of Compensation Securities, Number of Underlying Securities and Percentage of Class | Date of Issue or Grant | Issue, Conversion or Exercise Price \$ | Closing Price of Security or Underlying Security on Date of Grant \$ | Closing Price of Security or Underlying Security at Year End \$ | Expiry Date |

| Compensation Securities | | | | | | | |
|--|-------------------------------|--|------------------------|--|--|---|--------------------|
| Name and Position | Type of Compensation Security | Number of Compensation Securities, Number of Underlying Securities and Percentage of Class | Date of Issue or Grant | Issue, Conversion or Exercise Price \$ | Closing Price of Security or Underlying Security on Date of Grant \$ | Closing Price of Security or Underlying Security at Year End \$ | Expiry Date |
| Dr. Robert E.W. Hancock <i>CEO and Director</i> | Nil | Nil | Nil | Nil | (1) | Nil | Nil |
| Jacqueline Tucker <i>CFO</i> | Stock Options | 200,000/200,000/3.22% | October 1, 2022 | 0.30 | (1) | 0.30 | October 1, 2032 |
| Dr. Fadia Saad <i>Chief Business Development Officer</i> | Nil | Nil | Nil | Nil | (1) | Nil | Nil |
| Dr. Evan Haney <i>Chief Science Officer</i> | Nil | Nil | Nil | Nil | (1) | Nil | Nil |
| Derrold Norgaard <i>Director</i> | Nil | Nil | Nil | Nil | (1) | Nil | Nil |
| Timothy Murphy <i>Chief Operating Officer, Corporate Secretary and Director</i> | Stock Options | 200,000/200,000/3.22% | November 24, 2022 | 0.30 | (1) | 0.30 | November 24, 2032 |
| Richard Heinzl <i>Director</i> | Stock Options | 200,000/200,000/3.22% | September 29, 2022 | 0.30 | (1) | 0.30 | September 29, 2032 |

(1) The Shares commenced trading on the CSE on November 22, 2022.

As at December 31, 2022:

- (a) Dr. Robert E.W. Hancock, the Chief Executive Officer and a director of the Company, owned an aggregate of 900,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at a price of \$0.50 per Share until November 18, 2031;
- (b) Jacqueline Tucker, the Chief Financial Officer of the Company, owned an aggregate of 220,000 compensation securities, comprised solely of stock options, 200,000 of which is exercisable into one Share at a price of \$0.30 per Share until October 1, 2032 and 20,000 of which is exercisable into one Share at a price of \$0.50 per Share until November 18, 2031;

- (c) Dr. Fadia Saad, the Chief Business Development Officer of the Company, owned an aggregate of 400,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at a price of \$0.50 per Share until November 18, 2031;
- (d) Dr. Evan Haney, the Chief Science Officer of the Company, owned an aggregate of 300,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at a price of \$0.50 per Share until November 18, 2031;
- (e) Derrold Norgaard, a director of the Company, owned an aggregate of 300,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at a price of \$0.50 per Share until November 18, 2031;
- (f) Timothy Murphy, the Chief Operating Officer, Corporate Secretary and a director of the Company, owned an aggregate of 500,000 compensation securities, comprised solely of stock options, 300,000 of which is exercisable into one Share at a price of \$0.50 per Share until November 18, 2031 and 200,000 of which is exercisable into one Share at a price of \$0.30 per Share until November 24, 2032; and
- (g) Dr. Richard Heinzl, a director of the Company, owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Share at a price of \$0.30 per Share until September 29, 2032.

Exercise of Compensation Securities by Directors and NEOs

No stock options were exercised by directors and NEOs during the year ended December 31, 2022.

Stock Option Plans and Other Incentive Plans

Stock Option Plan

The Board adopted a stock option plan (the “**Plan**”) on July 21, 2021 and last approved by the shareholders on May 31, 2022. The purpose of the Plan is to attract and retain directors, officers, employees and consultants of the Company and to motivate them to advance the interest of the Company by affording them with the opportunity to acquire an equity interest in the Company through the grant of stock options under the Plan. The Plan provides that the number of Shares available for issuance is subject to the restrictions imposed under applicable securities laws or CSE policies and, in any case, shall not exceed 10% of the total number of issued Shares (calculated on a non-diluted basis) at the time any stock option is granted.

The Plan will be administered by the Board, which will have full and final authority with respect to the granting of all options thereunder.

Stock Options may be granted under the Plan to such directors, officers, employees, or consultants of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise price of option grants will be determined by the Board, but after listing on the CSE will not be less than the greater of the closing market prices of the underlying Shares on (i) the trading day prior to the date of grant of the stock options and (ii) the date of grant of the stock options. All options granted under the Plan will expire not later than the date that is ten years from the date that such options are granted. Stock Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) one month from date of termination other than for cause, or as set forth in each particular stock option agreement; (iii) three months from the date of disability; or (iv) twelve months from the date of death. Stock Options granted under the Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

As at May 24, 2023, there were 6,120,000 options outstanding under the Plan.

Upon request, the Company will promptly provide a copy of the Plan free of charge to a shareholder. A shareholder may contact the Company at its office at 420 – 730 View Street, Victoria, British Columbia V8W 3Y7, to request a copy.

Long Term Incentive Plan

The Board adopted the LTIP on January 11, 2023, subject to approval of the shareholders of the Company. The purpose of the LTIP is to align the interests of those directors, employees and consultants designated by the Board as being eligible to participate in the LTIP with those of the Company and its shareholders and to assist in attracting, retaining and motivating key employees by making a portion of the incentive compensation of participating employees directly dependent upon the achievement of key strategic, financial and operational objectives that are critical to ongoing growth and increasing the long-term value of the Company. In particular, the LTIP is designed to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of directors, key employees and consultants of the Company and its subsidiaries; (b) encouraging such directors, key employees and consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such directors, key employees and consultants with the interests of the Company.

The following is a summary of the LTIP and is qualified in its entirety by the full text of the LTIP, a current copy of which is attached as Schedule B to the Information Circular. The LTIP remains subject to the approval of the CSE, and is subject to any modifications as may be required by the rules and policies thereof.

Shares Subject to the Equity Incentive Plan

The LTIP provides that the number of Shares available for issuance is subject to the restrictions imposed under applicable securities laws or CSE policies, subject to shareholder approval, and, in any case, shall not exceed 10% of the total number of issued Shares (calculated on a non-diluted basis) at the time any stock option is granted.

Description of the LTIP

The LTIP is available to directors, key employees and consultants of the Company, as determined by the Board. The maximum number of Common Shares available for issuance under the LTIP in respect of awards, together with the number of Common Shares available for issuance in respect of options under the LTIP, will be 10% of the issued and outstanding Common Shares of the Company at any time (being the number of Common Shares issuable pursuant to the LTIP), less any Common Shares required to be reserved with respect to options granted by the Company prior to the implementation of the LTIP.

So long as it is required by the rules and policies of the CSE or such other exchange upon which the Common Shares may be come listed for trading, (i) the total number of Common Shares issuable to any participant under the LTIP, within any one-year period, together with Common Shares reserved for issuance to such participant under all of the Company's other security-based compensation arrangements, shall not exceed 5% of the issued and outstanding Common Shares, (ii) the total number of Common Shares issuable to insiders under the LTIP, within any one-year period and at any time, together with Common Shares reserved for issuance to insiders under all of the Company's other security-based compensation arrangements, shall not exceed 10% of the issued and outstanding Common Shares, and (iii) the total number of Common Shares issuable to consultants performing investor relations activities, at any time, together with Common Shares reserved for issuance to consultants performing investor relations activities under all of the Company's other security-based compensation arrangements, shall not exceed 1% of the issued and outstanding Common Shares in any twelve month period. If the CSE requires the number of Common Shares available for the grant of the Awards to be a lower percentage or a fixed number, then such lower percentage or such fixed number shall be the maximum Common Shares available for the grant of Awards. Except as otherwise provided in an applicable award agreement or as determined by the Board, neither awards nor any rights under any such awards shall be assignable or transferable other than pursuant to a will or by the laws of descent and distribution.

The LTIP provides for the issuance of “restricted share units”, “performance share units” and “deferred share units”.

Restricted Share Units

The LTIP provides that the Board may, from time to time, in its sole discretion, grant awards of restricted share units (each, an “**RSU**”) to directors, key employees and consultants. Each RSU shall represent one Common Share on vesting. RSUs shall be subject to such restrictions as the Board may establish in the applicable award agreement. The typical restriction for RSUs is time based (i.e. vesting after a fixed period of time). All RSUs will vest and become payable by the issuance of Common Shares at the end of the applicable restriction period if all applicable restrictions have lapsed.

Restrictions on any RSUs shall lapse immediately and become fully vested to the participant upon a change of control. Upon the death of a participant, subject to the applicable award agreement, any RSUs that have not vested will be immediately forfeited and cancelled without payment, provided that any RSUs granted to such participant that had vested prior to the participant’s death will accrue to the participant’s estate in accordance with the LTIP. If a participant’s employment is terminated for cause, any RSUs granted to the participant will immediately terminate without payment and be cancelled as of the termination date. If a participant’s employment is terminated without cause, is voluntarily terminated by the participant or termination is due to the participant’s retirement or disability, any RSUs granted to the participant will, subject to the applicable award agreement, immediately terminate without payment and be cancelled as of the termination date, provided, however, that any RSUs granted to such participant that had vested prior to the participant’s termination without cause, voluntary termination, retirement or disability will accrue to the participant in accordance with the LTIP. In the case of directors, if a participant ceases to be a director for any reason, subject to the applicable award agreement, all RSUs granted to such participant will immediately terminate without payment and be cancelled, provided, however, that any RSUs granted to such participant that had vested prior to the participant ceasing to be a director will accrue to the participant in accordance with the LTIP. Where a consultant’s service to the Company terminates for any reason, subject to the applicable award agreement and any other contractual commitments between the participant and the Company, all RSUs granted to such participant will immediately terminate without payment and be cancelled, provided, however, that any RSUs granted to such participant that had vested prior to the termination of the participant’s service to the Company will accrue to the participant in accordance with the LTIP.

Performance Share Units

The LTIP provides that the Board may, from time to time, in its sole discretion, grant awards of performance share units (each, a “**PSU**”) to key employees and consultants. Each PSU shall, contingent upon the attainment of the performance criteria within the applicable performance cycle, represent one Common Share, unless otherwise specified in the applicable award agreement. The performance criteria will be established by the Board which, without limitation, may include criteria based on the participant’s individual performance and/or financial performance of the Company and its subsidiaries. Typical performance criteria could include gross revenues, EBITDA, share price performance, the attainment of a specified amount of financing or satisfaction of a participant’s key performance indicators. The applicable award agreement may provide the Board with the right to revise the performance criteria during a performance cycle or after it has ended, if unforeseen events occur, including, without limitation, changes in capitalization, equity restructuring, acquisitions or divestitures, if such events have a substantial effect on the financial results of the Company and make the application of the performance criteria unfair absent a revision.

All PSUs will vest and become payable to the extent that the performance criteria are satisfied in the sole determination of the Board. PSUs granted to a participant shall become fully vested and payable to such participant within 95 days after the last day of the performance cycle or upon a change of control. Upon the death of a participant, subject to the applicable award agreement, all PSUs granted to the participant which, prior to the participant’s death, had not vested, will immediately be forfeited and cancelled without payment, provided,

however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed. If a participant's employment is terminated for cause, any PSUs granted to the participant will immediately terminate without payment and be cancelled as of the termination date. If a participant's employment is terminated without cause, by voluntary termination, or if the participant's employment terminates due to retirement or disability, all PSUs granted to the participant which, prior to such termination without cause, voluntary termination, retirement or disability, had not vested, will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed. Where a consultant's service to the Company terminates for any reason, subject to the applicable award agreement and any other contractual commitments between the participant and the Company, all PSUs granted to such participant will immediately be forfeited and cancelled without payment, provided, however, that the Board may determine, in its discretion, the number of the participant's PSUs that will vest based upon the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Deferred Share Units

The LTIP provides that the Board may, from time to time, in its sole discretion, grant awards of deferred share units (each, a "DSU") to directors in lieu of director fees (but not to key employees or consultants). Directors become participants effective as of the date each is first appointed or elected as a director and cease to be participants at the time they cease to be a director for any reason. The number of DSUs to be granted to a participant shall be calculated by dividing the amount of fees selected by the director by the market price on the grant date. The market price is defined in the LTIP as the five-day weighted average closing price of the Common Shares on the immediately preceding five trading days prior to the grant date.

Each participant shall be entitled to receive, subsequent to the effective date that the participant ceases to be a director for any reason or any earlier vesting period(s) set forth in the applicable award agreement, either (a) that number of Common Shares equal to the number of DSUs granted to such participant, or (b) a cash payment in an amount equal to the market price of the DSUs granted to such participant on the trading day following the day that the participant ceases to be a director, net of applicable withholdings, and subject to adjustments if the value of a DSU is determined during applicable black-out periods. Upon the death of a participant, such participant's estate shall be entitled to receive, within 120 days, a cash payment or Common Shares that would otherwise have been payable upon such participant ceasing to be a director.

As of the date of this Information Circular, there were 6,200,000 RSUs that have been granted, and no PSUs and DSUs outstanding.

Upon request, the Company will promptly provide a copy of the LTIP free of charge to a shareholder. A shareholder may contact the Company at its office at 420 – 730 View Street, Victoria, British Columbia V8W 3Y7, to request a copy.

Employment, Consulting and Management Agreements

Other than disclosed below, the Company has not entered into written employment or consulting agreements with any of its executive officers.

Employment Agreement with Dr. Fadia Saad

On March 1, 2021, ASEP Medical Inc. ("ASEP"), the Company's subsidiary, entered into an employment agreement with Dr. Fadia Saad (the "**Saad Employment Agreement**"), pursuant to which Dr. Saad agreed to provide certain management services to ASEP, including but not limited to acting as Chief Business Development Officer of ASEP. As consideration for the services to be provided by Dr. Saad, ASEP agreed to pay a monthly fee of \$15,000, less

statutory deductions. Dr. Saad is also eligible for an annual performance bonus up to 20% of base salary determinable at the absolute discretion of the ASEP Board.

The Saad Employment Agreement may be terminated: (a) at any time by Dr. Saad by giving a minimum of thirty (30) days written notice to ASEP; (b) without notice or payment in lieu of notice, for sufficient cause by ASEP at any time; or (c) at any time by ASEP without the requirement to show cause, provided ASEP pays Dr. Saad an amount equal to six (6) months' salary in the event of termination before the end of a 3-year period. Thereafter, severance will be additional to six (6) month's salary and commensurate to years of service and consistent with legislation as may be in effect at the time of termination.

Employment Agreement with Jennifer Gretchen

On March 1, 2021, ASEP entered into an employment agreement (the "**Gretchen Agreement**") with Jennifer Gretchen, pursuant to which Ms. Gretchen agreed to provide certain management services to ASEP, including but not limited to acting as CFO of ASEP. As consideration for the services to be provided by Ms. Gretchen, ASEP agreed to pay a monthly fee of \$12,500. Ms. Gretchen is also eligible for an annual performance bonus up to 25% of base salary determinable at the absolute discretion of the ASEP Board.

The Gretchen Employment Agreement may be terminated: (a) at any time by Ms. Gretchen by giving a minimum of thirty (30) days written notice to ASEP; (b) without notice or payment in lieu of notice, for sufficient cause by ASEP at any time; or (c) at any time by ASEP without the requirement to show cause, provided ASEP pays Ms. Gretchen an amount equal to six (6) months' salary in the event of termination before the end of a 3-year period. Thereafter, severance will be additional to six (6) month's salary and commensurate to years of service and consistent with legislation as may be in effect at the time of termination.

Consulting Agreement with RAM Advisors, Inc.

On March 1, 2021, ASEP entered into a consulting agreement with RAM Advisors, Inc. (the "**RAM Consulting Agreement**"), pursuant to which RAM Advisors, Inc. agreed to provide, through its principal Rudy Mazzocchi, certain management services to ASEP, including but not limited to acting as CEO and Executive Chairman of ASEP. As consideration for the services to be provided by RAM Advisors, Inc., ASEP agreed to pay a monthly fee of \$20,000. RAM Advisors, Inc. is also eligible for an annual performance bonus up to 25% of base salary determinable at the absolute discretion of the ASEP Board.

The RAM Consulting Agreement may be terminated: (a) at any time by RAM Advisors, Inc. by giving a minimum of thirty (30) days written notice to ASEP; or (b) at any time by ASEP by giving a minimum of six (6) months written notice to RAM Advisors, Inc. The RAM Consulting Agreement was terminated on June 30, 2022.

Employment Agreement with Dr. Evan Haney

On June 1, 2021, ASEP entered into an employment agreement (the "**Haney Agreement**") with Dr. Evan Haney, pursuant to which Dr. Haney agreed to provide certain management services to ASEP, including but not limited to acting as Chief Scientific Officer of ASEP Medical, Inc. As consideration for the services to be provided by Dr. Haney, ASEP agreed to pay an annual salary of CDN\$70,000, which was increased by 5% in 2022 to an annual salary of CDN\$73,500.

The Haney Agreement may be terminated: (a) at any time by Dr. Haney by giving a minimum of thirty (30) days written notice to ASEP; (b) without notice or payment in lieu of notice, for sufficient cause by ASEP at any time; or (c) at any time by ASEP without the requirement to show cause, provided ASEP pays Dr. Haney an amount equal to six (6) months' salary in the event of termination before the end of a 3-year period. Thereafter, severance will be additional to six (6) month's salary and commensurate to years of service and consistent with legislation as may be in effect at the time of termination.

Consulting agreement with Murphy Enterprises Inc.

On June 30, 2022, ASEP entered into a consulting agreement (the “**Murphy Consulting Agreement**”) with Murphy Enterprises Inc. (“**Murphy**”), pursuant to which Murphy agreed to provide certain management services to ASEP as the Chief Operating Officer. The Murphy Consulting Agreement can be terminated at any time by Murphy by giving a thirty days written notice to the Company or by the Company by giving a minimum of 6 months written notice to Murphy. As consideration for the services to be provided by Murphy, ASEP agreed to pay a monthly fee of \$10,000, plus GST. In addition, ASEP will grant Murphy 200,000 stock options exercisable at \$0.25 per option.

Consulting agreement with J.M. Tucker Professional Corporation

On October 1, 2022, ASEP entered into a consulting agreement (the “**Tucker Consulting Agreement**”) with J.M. Tucker Professional Corporation (“**Tucker**”), pursuant to which Tucker agreed to provide certain management services to ASEP as the Chief Financial Officer. The Tucker Consulting Agreement can be terminated at any time by Tucker by giving a thirty days written notice to the Company or by the Company by giving a thirty days written notice to Tucker.

As consideration for the services to be provided by Tucker, ASEP agreed to pay a monthly fee of \$7,500, which shall be paid in the following manner: (i) \$6,000 plus GST, and (ii) \$1,500 as a transfer or all of, or a fraction of, a particular security or share of the Company, or as a contribution to the purchase of such a particular security of share, up to a maximum of \$60,000 and will automatically apply at the end of each calendar year towards the purchase of all vested options and the underlying security or share. In addition, ASEP granted Tucker 200,000 stock options exercisable at \$0.30 per option.

Employment Agreement with Dr. Robert E.W. Hancock

On October 1, 2022, ASEP entered into an employment agreement (the “**Hancock Agreement**”) with Dr. Robert E.W. Hancock, pursuant to which Dr. Hancock agreed to provide certain management services to ASEP, including but not limited to acting as Chief Executive Officer of ASEP. As consideration for the services to be provided by Dr. Hancock, ASEP agreed to pay an annual salary of \$180,000 and until the Company completes a financing of at least \$2,000,000, the Company has the right to defer payment of up to 100% of the salary. One day after the end of the deferred salary, the Company shall pay the full salary plus a management bonus of \$45,000. Dr. Hancock is also eligible for a bonus, the amount of which will be determined by the Board in its discretion. In addition, the Company will grant 300,000 options at a price of \$0.36 per option.

The Hancock Agreement may be terminated: (a) at any time by Dr. Hancock by giving a minimum of four weeks written notice to ASEP Medical, Inc.; (b) without notice or payment in lieu of notice, for sufficient cause by ASEP at any time; or (c) at any time by ASEP without the requirement to show cause, provided ASEP pays Dr. Hancock an amount equal to six (6) months’ salary in the event of termination.

Oversight and Description of Director and NEO Compensation

The Board will be responsible for setting the overall compensation strategy of the Company and administering the Company’s executive compensation program with input from the CEO of the Company in respect of all executive officers other than the CEO. As part of its mandate, the Board will approve the remuneration of the Company’s executive officers, including any NEOs of the Company. The Board will also be responsible for reviewing the Company’s compensation policies and guidelines generally.

The objective of the Company’s executive compensation program will be to motivate, reward, and retain management talent that is needed to achieve the Company’s business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance, and contribution of the individuals involved and the overall performance of the Company. In evaluating performance, consideration is given to the Company’s long-term interests and quantitative

financial objectives, as well to the qualitative aspects of the individual's performance and achievements. Compensation for directors of the Company, if any, will also be determined by the Board on an annual basis.

Compensation Objectives and Principles

The compensation program for the senior management of the Company will be designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company will employ a combination of base salary, bonus compensation and equity participation through its Plan. The Company will not provide any retirement benefits for its directors or officers.

Elements of Compensation

The executive compensation program is comprised of three principal components: (i) base salaries; (ii) bonuses, and (iii) an option plan which will be designed to provide a combination of cash and equity-based compensation to effectively retain and motivate the executive officers to achieve the Company's goals and objectives. Each component of the executive compensation program is described below.

Base Salary

Executive officers are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The payment of base salaries is an important component of the intended compensation program and serves to attract and retain qualified individuals. The base salaries for the executive officers will be reviewed annually by the Board and will be determined by considering the contributions made by the executive officers, how their compensation levels related to compensation packages that would be achievable by such officers from other opportunities, and publicly available salary data. Salaries of the executive officers will not be determined based on benchmarks or a specific formula.

Bonus Incentive Compensation

The Board may from time to time approve bonus payments to reward executive officers for their contribution to the achievement of annual corporate goals and objectives. Bonuses will also serve as a retention incentive for executive officers so that they remain in the employ of the Company. The payment of bonuses is consistent with the intended overall objective of the Company to reward performance.

Equity Participation

Equity participation will be accomplished through the Plan and the LTIP. Stock Options and other compensation securities may be granted to executives and employees considering a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options and other compensation securities granted are determined by the Board.

Compensation Process

The Company does not have a compensation committee or a formal compensation policy. The Company will rely solely on the directors to determine the compensation of any NEOs. In determining compensation, the directors

will consider industry standards and the Company’s financial situation, but the Company will not have any formal objectives or criteria. The performance of each executive officer will be informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board as a whole seeks to accomplish the following goals:

- to recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;
- to motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- to align the interests of executive officers with the long-term interests of Shareholders through participation in the Plan and the LTIP.

When considering the appropriate executive compensation to be paid to our officers, the Board will have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

Option-Based Awards

Long-term incentives in the form of stock options are intended to align the interests of the Company’s directors and executive officers with those of the Shareholders and to provide a long-term incentive to reward those individuals for their contribution to the generation of shareholder value, while reducing the burden of cash compensation that would otherwise be payable by the Company.

The Plan and the LTIP is administered by the Board. In determining the number of incentive stock options to be granted to the NEOs, the Board will have regard to several considerations including previous grants of stock options and the overall number of outstanding stock options relative to the number of outstanding Shares, as well as the degree of effort, time, responsibility, ability, experience and level of commitment of the executive officer. For a detailed discussion of the Plan and the LTIP, please see “*Stock Option Plans and Other Incentive Plans*” above.

Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Plan and the LTIP, being the Company’s only equity compensation plans, as of December 31, 2022.

| Plan Category | Number of shares to be issued upon exercise of outstanding options ⁽¹⁾ | Weighted-average exercise price of outstanding options | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|--|---|--|---|
| Equity compensation plans approved by Shareholders | 5,420,000 | \$0.42 | 793,034 |

| Plan Category | Number of shares to be issued upon exercise of outstanding options ⁽¹⁾ | Weighted-average exercise price of outstanding options | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|--|---|--|---|
| Equity compensation plans not approved by Shareholders | Nil | Nil | Nil |
| Total | 5,420,000 | \$0.42 | 793,034 |

⁽¹⁾ The Company does not have any warrants or rights outstanding under any equity compensation plans.

APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint Manning Elliott LLP, Chartered Professional Accountants as auditors of the Company for the fiscal year ending December 31, 2023, and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2023. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting. Manning Elliott LLP, Chartered Professional Accountants, were appointed as the auditors of the Company in 2021.

Management recommends that Shareholders vote for the appointment of Manning Elliott LLP, Chartered Professional Accountants as the Company’s auditors for the Company’s fiscal year ending December 31, 2023 and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2023.

AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the “**Audit Committee**”):

The Audit Committee Charter

The full text of the Company’s audit committee charter (the “**Audit Committee Charter**”) is attached as Schedule “A” to this Information Circular.

Composition of the Audit Committee

The following are the members of the Audit Committee as at the date hereof:

Audit Committee Members

| | | |
|-----------------------------|--------------------------------|-------------------------------------|
| Derrold Norgaard (Chairman) | Independent ⁽¹⁾ | Financially Literate ⁽²⁾ |
| Timothy Murphy | Not Independent ⁽¹⁾ | Financially Literate ⁽²⁾ |
| Richard Heinzl | Independent ⁽¹⁾ | Financially Literate ⁽²⁾ |

⁽¹⁾ A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. Under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of the issuer, is considered to have a material relationship with the issuer.

- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right, at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

The following sets out the education and experience of each Audit Committee member that is relevant to the performance of their responsibilities as an Audit Committee member and that provides each member with: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting:

Derrold Norgaard - *Chairman*

Mr. Norgaard is an experience business executive and a Fellow of the Chartered Professional Accountants of British Columbia. Mr. Norgaard sits on numerous boards as either a Director and also has experience as a CFO. Mr. Norgaard was formerly a tax partner with KPMG, and held the dual role of Tax and Office Managing Partner at KPMG's Victoria office until his departure in 2008. Mr. Norgaard's primary areas of practice include personal tax planning, international tax and financial reporting. Mr. Norgaard is founder and principal of NKPG Services Ltd, an accounting firm based in Victoria and Vancouver, British Columbia. Mr. Norgaard has also served on a number of private, public and not for profit boards, including as past director with the Victoria and Esquimalt Police Board, and currently with the Canadian Heritage Arts Society.

Timothy Murphy

Mr. Murphy is an experienced business executive and lawyer. Mr. Murphy sits on numerous boards as both a Director and Advisory Director and also has experience as a CEO. Since 2011, he has been the Founding Partner of Murphy & Company LLP, a business law firm based in Vancouver, British Columbia. From January 2018 to present, Mr. Murphy has acted as a board member and officer with the Rival Group Inc. From October 2018 to August 2019, Mr. Murphy acted as CEO of Casting Workbook Global Ltd. From October 2019 to October 2020, Mr. Murphy served as a Director with Geyser Brands Inc. Since August 2018, he has served as a Director with the Angus Reid Institute.

Richard Heinzl

Dr. Heinzl is a physician, humanitarian, entrepreneur and author whose current focus is genomics, artificial intelligence and healthcare worldwide. Based in New York and Toronto, he is currently CEO of My Next Health Inc., a next-generation functional genomics company. Dr. Heinzl was the founder of the Canadian chapter of Médecins Sans Frontières/Doctors Without Borders (MSF Canada), which won the Nobel Peace Prize in 1999. Recently, he was Global Medical Director for WorldCare Inc., a Boston-based, Harvard-affiliated virtual medicine company.

Each member of the Audit Committee has:

- an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience with analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemptions in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-Audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company’s Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The aggregate fees billed by the Company’s external auditor in the fiscal years ended December 31, 2021 and December 31, 2022, by category, are as follows:

| Year Ended December 31 | Audit Fees ⁽²⁾ | Audit Related Fees ⁽³⁾ | Tax Fees ⁽⁴⁾ | All Other Fees ⁽⁵⁾ |
|------------------------|---------------------------|-----------------------------------|-------------------------|-------------------------------|
| 2022 | \$100,000 | \$32,500 | N/A | N/A |
| 2021 ⁽¹⁾ | \$23,500 | \$4,500 | N/A | \$4,500 |

⁽¹⁾ The Company was incorporated on January 20, 2021.

⁽²⁾ “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of our financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (3) **“Audit-Related Fees”** for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported as audit fees. The services provided in this category include due diligence assistance, accounting consultations on proposed transactions, and consultation on International Financial Reporting Standards conversion.
- (4) **“Tax Fees”** include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice.
- (5) **“All Other Fees”** includes all fees other than those reported as Audit Fees, Audit-Related Fees or Tax Fees.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, proposed nominee for election to the Board, or associate of such persons is, or at any time since the beginning of the Company’s most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both, carrying more than ten percent of the voting rights attached to the Shares outstanding (each, an **“Insider”**); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares.

MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company, except as otherwise described in this Information Circular.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

Board of Directors

The Board facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board.

Messrs. Norgaard and Heinzl are “independent” in that each are independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the

director's ability to act with the best interests of the Company, other than the interests and relationships arising from being shareholders of the Company. Dr. Robert E.W. Hancock is the CEO of the Company and Timothy Murphy is the Chief Operating Officer of the Company, and is considered not to be "independent" as a result.

Board Mandate

The Board will facilitate independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board will have access to the Company's external auditors, legal counsel and to any of the Company's officers.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the relevant company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals.

The day-to-day management of the business and affairs of the Company will be delegated by the Board to the senior officers of the Company. The Board will give direction and guidance through the CEO to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

Directorships

Certain directors of the Company are currently also directors of other reporting issuers, as described in the table below:

| Name of Director of the Company | Names of Other Reporting Issuers |
|--|---|
| Dr. Robert E.W. Hancock | Core One Labs Inc. – CSE |

Orientation and Continuing Education

It is the intention that the Board will consider and determine an orientation process for new members of the Board and continuing education and development for incumbent members of the Board, including specific education for members of each committee, if necessary. In addition, the Board will oversee the arrangement for its members to annually participate in a continuing education event addressing current developments and best practices in corporate governance, if deemed to be appropriate and beneficial.

Ethical Business Conduct

The Board may choose to adopt a written Code of Conduct, which will apply to all employees, officers, directors and advisors of the Company and its affiliates. The purpose of such Code of Business Conduct and Ethics will be to create a culture in the Company and its affiliates that values high ethical standards, honesty and compliance with laws, rules and regulations. Such Code of Conduct will contain prohibitions on discrimination and harassment as well as provisions that require the directors, officers and other employees of the Company and its affiliates to avoid situations where their personal interests conflict, or appear to conflict, with the interests of the Resulting Issuer and/or its affiliates).

Nomination of Directors

The Board as a whole will be responsible for annually identifying and recommending to the Board an annual slate of nominees for membership on the Board. In recommending the annual slate of nominees, the Board will identify and screen individuals to determine potential candidates, taking into account the number of directors required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation

The Board reviews the compensation of its directors and executive officers annually. For information regarding the steps taken to determine compensation for the directors and the executive officers, see “*Executive Compensation*” herein.

Other Board Committees

The Company does not have any other committees other than the Audit Committee.

Assessments

The Board will monitor the adequacy of information given to directors, communication between the Board and management and the strategic direction and process of the Board and the Audit Committee. During the year-end audit, both the Board and the Audit Committee will review the information contained within the financial statements, express any opinions which they may have and make self-assessments regarding whether the information is accurate and representative of clear communications between the Board and management of the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company’s last financial year, no proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors, the grant of stock options and other compensation securities which may be granted to such persons under the Plan and the LTIP, as further discussed below.

Directors, executive officers, proposed nominees for election as director of the Company may be interested in the approval of the LTIP, pursuant to which they may be granted RSUs, PSUs and DSUs. See “*Particulars of Matters to be Acted Upon – Approval of Long Term Incentive Plan*”, below, for more information.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Long Term Incentive Plan

The Board is requesting that Shareholders affirm, ratify and approve the LTIP. Accordingly, at the Meeting, Shareholders will be asked to approve the following ordinary resolution (the “**LTIP Resolution**”):

“BE IT RESOLVED, as an ordinary resolution of shareholders, that:

1. the Company’s Long Term Incentive Plan (the “**LTIP**”) in the form attached as Schedule “B” to the management information circular of the Company dated as of May 31, 2023, be and is hereby affirmed, ratified and approved;
2. the board of directors of the Company be authorized in its absolute discretion to administer the LTIP and amend or modify the LTIP in accordance with its terms and conditions and with the policies of the CSE; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to

give effect to this resolution, including making any amendments to the Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company.”

The form of the LTIP Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the LTIP Resolution.

Management of the Company recommends that disinterested Shareholders vote in favour of the LTIP Resolution at the Meeting. It is the intention of the Designated Persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the LTIP Resolution.

ADDITIONAL INFORMATION

Shareholders may contact the Company at its office by mail 420 – 730 View Street, Victoria, British Columbia V8W 3Y7, to request copies of the Company’s financial statements and related Management’s Discussion and Analysis (the “**MD&A**”). Financial information is provided in the Company’s audited financial statements and MD&A for the most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available on SEDAR.

OTHER MATTERS

Other than the above, management of the Company know of no other matters to come before the Meeting other than those referred to in the Notice. If any other matters that are not currently known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the Designated Persons named therein to vote on such matters in accordance with their best judgment.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved, and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized, by the Board.

Dated at Vancouver, British Columbia this 31st day of May, 2023.

ON BEHALF OF THE BOARD OF DIRECTORS OF

ASEP MEDICAL HOLDINGS INC.

“Dr. Robert E.W. Hancock”

Dr. Robert E.W. Hancock
Chief Executive Officer
and Director

SCHEDULE A

AUDIT COMMITTEE CHARTER

ASEP MEDICAL HOLDINGS INC.
(the "Company")

Audit Committee Charter

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee (the "**Audit Committee**"), or its Board of Directors (the "**Board**") in lieu thereof. The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. Composition

- (a) Number of Members. The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.
- (b) Chair. If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) Financially Literacy. All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. Meetings

- (a) Quorum. The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) Agenda. The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (c) Notice to Auditors. The Company's auditors (the "**Auditors**") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- (d) Minutes. Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

- (a) Selection of the external auditor. Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.
- (b) Scope of Work. Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (c) Compensation. Recommend to the Board the compensation to be paid to the external auditors.
- (d) Replacement of Auditor. If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (e) Approve Non-Audit Related Services. Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) Direct Responsibility for Overseeing Work of Auditors. Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) Resolution of Disputes. Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (h) Review Audited Financial Statements. Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (i) Review of Interim Financial Statements. Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (j) MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports. Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (k) Auditor Reports and Recommendations. Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (l) Internal Control. Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls.

Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.

- (m) Financial Management. Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- (n) Accounting Policies and Practices. Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.
- (o) Litigation. Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.
- (p) Other. Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

- (q) Accounting, Auditing and Internal Control Complaints. The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.
- (r) Employee Complaints. The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

- (a) Auditor. The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) To Retain Independent Advisors. The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

5. Reporting

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;

- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.

SCHEDULE B

LONG TERM INCENTIVE PLAN

LONG-TERM PERFORMANCE INCENTIVE PLAN

ASEP MEDICAL HOLDINGS INC.
(the “Company”)

LONG-TERM PERFORMANCE INCENTIVE PLAN – 10% OF ISSUED SHARES

SECTION 1 ESTABLISHMENT AND PURPOSE OF THIS PLAN

The Company wishes to establish this long-term performance incentive plan (the “Plan”). The purpose of this Plan is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of Directors, Key Employees and Consultants of the Company and its Subsidiaries; (ii) encouraging such Directors, Key Employees and Consultants to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such Directors, Key Employees and Consultants with the interests of the Company.

To this end, this Plan provides for the grant of Restricted Share Units, Performance Share Units and Deferred Share Units to Directors, Key Employees and Consultants of the Company as further described in this Plan.

SECTION 2 DEFINITIONS

2.1 Definitions

As used in this Plan, the following terms shall have the meanings set forth below:

- (a) “**Associate**” has the meaning ascribed thereto in the Securities Act;
- (b) “**Award**” means any award of Restricted Share Units, Performance Share Units or Deferred Share Units granted under this Plan;
- (c) “**Award Agreement**” means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (d) “**Board**” means the board of directors of the Company;
- (e) “**Company**” means ASEP Medical Holdings Inc., a company incorporated under the *British Columbia Business Corporations Act*, and any of its successors or assigns;
- (f) “**Consultant**” means a Person (other than a Key Employee or Director) that:
 - (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or an affiliate of the Company, other than services provided in relation to a distribution (as defined in the *Securities Act*);
 - (ii) provides the services under a written contract between the Company or an affiliate of the Company and the Person, as the case may be;

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or an affiliate of the Company; and
- (iv) has a relationship with the Company or an affiliate of the Company that enables the Person to be knowledgeable about the business and affairs of the Company,

and includes:

- (v) for a Person that is an individual, a corporation of which such individual is an employee or shareholder, and a partnership of which the individual is an employee or partner; and
 - (vi) for a Person that is not an individual, an employee, executive officer or director of the consultant, *provided that* the individual employee, executive officer or director spends or will spend a significant amount of time on the affairs and business of the Company or an affiliate of the Company;
- (g) “**Deferred Share Unit**” means a right to receive on a deferred basis a payment in either Shares or cash as provided in Section 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
 - (h) “**Determination Date**” means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
 - (i) “**Director**” means a member of the Board;
 - (j) “**Disability**” means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
 - (k) “**Effective Date**” has the meaning ascribed thereto in Section 8;
 - (l) “**Election Form**” means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in Deferred Share Units under this Plan;
 - (m) “**Eligible Person**” means Directors, Key Employees and Consultants;
 - (n) “**Exchange**” means the Canadian Securities Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
 - (o) “**Fees**” means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
 - (p) “**Grant Date**” means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
 - (q) “**Insider**” means any insider, as that term is defined in the Securities Act;
 - (r) “**Investor Relations Activities**” means any activities, by or on behalf of the Company or a shareholder of the Company, which promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - (A) to promote the sale of products or services of the Company, or
 - (B) to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
- (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws, or
 - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication; and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange
- (s) “**Key Employees**” means employees, including officers, whether Directors or not, and including both full-time and part-time employees of the Company or any Subsidiary who, by the nature of their positions or jobs are, in the opinion of the Board, in a position to contribute to the success of the Company;
- (t) “**Market Unit Price**” means the value of a Share determined by reference to the five-day volume weighted average closing price of a Share on the immediately preceding five (5) Trading Days on which trading in the Shares took place;
- (u) “**Option**” means incentive share purchase options entitling the holder thereof to purchase Shares;
- (v) “**Option Plan**” means the stock option plan of the Company adopted by the Board on November 24, 2022 as amended and restated from time to time;
- (w) “**Participant**” means any Eligible Person to whom Awards under this Plan are granted;
- (x) “**Participant’s Account**” means a notional account maintained for each Participant’s participation in this Plan which will show any Restricted Share Units, Performance Share Units or Deferred Share Units credited to a Participant from time to time;
- (y) “**Performance-Based Award**” means, collectively, Performance Share Units and Restricted Share Units;

- (z) **“Performance Criteria”** means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of the Performance Share Units;
- (aa) **“Performance Cycle”** means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (bb) **“Performance Share Unit”** means a right awarded to a Participant to receive a payment in Shares as provided in Section 5.2 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (cc) **“Person”** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (dd) **“Restriction Period”** means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units specified by the Board in the applicable Award Agreement, which period shall be no less than 12 months, provided the Board may, in its discretion, permit earlier vesting, no sooner than quarterly, of the Restricted Share Units;
- (ee) **“Restricted Share Unit”** means a right awarded to a Participant to receive a payment in Shares as provided in Section 5.1 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (ff) **“Retirement”** means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (gg) **“Securities Act”** means the *Securities Act* (British Columbia), as amended, from time to time;
- (hh) **“Security-Based Compensation Arrangement”** shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option, including the Option Plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time employee, officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (ii) **“Shares”** means the common shares of the Company;
- (jj) **“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (kk) **“Termination Date”** means, as applicable:
 - (i) in the event of a Participant’s Retirement, voluntary termination or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and

- (ii) in the event of termination of the Participant's employment by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;
- (ll) **"Trading Day"** means any date on which the Exchange is open for trading; and
- (mm) **"Vesting Date"** means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

SECTION 3 ADMINISTRATION

3.1 Board to Administer Plan

Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.

3.2 Delegation to Committee

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by such committee as the Board may determine.

3.3 Interpretation

All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.

3.4 No Liability

No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

SECTION 4 SHARES AVAILABLE FOR AWARDS

4.1 Limitations on Shares Available for Issuance

- (a) Subject to adjustment in accordance with Section 4.3, the total Shares available for the grant of Awards shall be such number as equals ten (10%) percent of the Shares issued and outstanding in the Company at the time of grant; provided, however, that if the Exchange requires the number of Shares available for the grant of the Awards to be a lower

percentage or a fixed number, then such lower percentage or such fixed number shall be the maximum Shares available for the grant of Awards. For so long as any Awards are outstanding, the Company shall keep available at all times such number of Shares as would be issuable on the due exercise of all of such Awards; and

- (b) the total number of Shares issuable to Persons performing Investor Relations Activities on behalf of the Company pursuant to the Plan, together with Shares issuable to all Persons performing Investor Relations Activities under all of the Company's other Security-Based Compensation Arrangements, shall not exceed one (1%) percent of the issued and outstanding Shares in any twelve-month period.

4.2 Accounting for Awards

For purposes of this Section 4:

- (a) if an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
- (b) notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.

4.3 Anti-Dilution

If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of Restricted Share Units, Performance Share Units and/or Deferred Share Units credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.

SECTION 5 AWARDS

5.1 Restricted Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Directors, Key Employees and Consultants. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.

- (b) Restrictions - Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (c) Vesting - All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.
- (d) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5.1(i) hereof.
- (e) Termination of Employment
 - (i) Where, in the case of a Key Employee, a Participant's employment is terminated by the Company or a Subsidiary for cause, all Restricted Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
 - (ii) Where, in the case of a Key Employee, a Participant's employment terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.1(i) hereof.
 - (iii) Upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (f) Disability - Where, in the case of a Key Employee, a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units; *provided, however*, that no Restricted Share Units may be redeemed during a leave of absence. Where a Key Employee's employment is terminated due to Disability, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of

the Termination Date; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.1(i) hereof.

- (g) Cessation of Directorship - Where, in the case of Directors, a Participant ceases to be a Director for any reason, any Restricted Share Units granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date the Participant ceases to be a Director; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant ceasing to be a Director for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.1(i) hereof.
- (h) Termination of Service - Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, any Restricted Share Units granted to the Participant under this Plan that have not yet vested will be forfeited and cancelled and shall be of no further force or effect as of the date of termination of service; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the termination of the Participant's service to the Company for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.1(i) hereof.
- (i) Payment of Award - As soon as practicable after each Vesting Date of an Award of Restricted Share Units, the Company shall issue from treasury to the Participant, or if Section 5.1(d) applies, to the Participant's estate, a number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the Restricted Share Units in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Restricted Share Units.

5.2 Performance Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Key Employees and Consultants. Performance Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each Performance Share Unit shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement.
- (b) Performance Criteria - The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the

Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the Performance Criteria unfair unless a revision is made. Notices will be provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing.

- (c) Vesting - All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date.
- (d) Death - Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.2(h) hereof.
- (e) Termination of Employment
 - (i) Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary for cause, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
 - (ii) Where, in the case of Key Employees, other than as may be set forth in the applicable Award Agreement and below, a Participant's employment is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement, all Performance Share Units granted to the Participant which, prior to the Participant's termination, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.2(h) hereof.
 - (iii) In the case of Key Employees, upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.

- (f) Disability - Where a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units; *provided, however*, that no Performance Share Units may be redeemed during a leave of absence. Where a Participant's employment is terminated due to Disability, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date; *provided, however*, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.2(h) hereof.
- (g) Termination of Service - Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date; *provided, however*, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.2(h) hereof.
- (h) Payment of Award - Payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety-five (95) days after the last day of the Performance Cycle to which such Award relates. Such payments shall be made entirely in Shares. The Company shall issue from treasury to the Participant, or if Section 5.2(d) applies, to the Participant's estate, a number of Shares equal to the number of Performance Share Units that have vested. As of the Vesting Date, the Performance Share Units in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Performance Share Units.

5.3 Deferred Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors in lieu of Fees. A Director becomes a Participant effective as of the date he or she is first appointed or elected as a Director and ceases to be a Participant at the time he or she ceases to be a Director for any reason. Deferred Share Units granted to a Participant in accordance with Section 5.3 hereof shall be credited, as of the Grant Date, to the Participant's Account.

- (b) Election - Each Director may elect to receive any or all of his or her Fees in Deferred Share Units under this Plan. Elections by Participants regarding the amount of their Fees that they wish to receive in Deferred Share Units shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Fees for the following year. Any Director who becomes a Participant during a calendar year and wishes to receive an amount of his or her Fees for the remainder of that year in Deferred Share Units must make his or her election within 60 days of becoming a Director.
- (c) Calculation - The number of Deferred Share Units to be credited to the Participant's Account shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Unit Price on the Grant Date (or such other price as required under Exchange policies) which shall be the 10th business day following each financial quarter end. If, as a result of the foregoing calculation, a Participant shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.
- (d) Payment of Award - Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be a Director for any reason, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date after the Participant ceases to be a Director as the Participant and the Company may agree, which date shall be no later than the end of the calendar year following the year in which the Participant ceases to be a Director) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be a Director, at the sole discretion of the Board, either:
- (i) that number of Shares equal to the number of Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company; or
 - (ii) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be a Director of the Deferred Share Units credited to a Participant's Account, net of applicable withholdings.
- (e) Exception - In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).
- (f) Death - Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5.3(d) hereof to the Participant upon such Participant ceasing to be Director.
- (g) Deductions - Whenever cash is to be paid on redemption of Deferred Share Units, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered on redemption of Deferred Share Units, the Company shall have the right to

deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:

- (i) electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld; or
- (ii) delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.

5.4 General Terms Applicable to Awards

- (a) Forfeiture Events - The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of non-competition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.
- (b) Awards May be Granted Separately or Together - Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (c) Non-Transferability of Awards - Except as otherwise provided in an Award Agreement or determined by the Board in its sole discretion, no Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.
- (d) Conditions and Restrictions Upon Securities Subject to Awards - The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation:

- (i) restrictions under an insider trading policy or pursuant to applicable law;
 - (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements;
 - (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and
 - (iv) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
- (e) Share Certificates - All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (f) Conformity to Plan - In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted to become, in all respects, in conformity with this Plan.

5.5 General Terms Applicable to Performance-Based Awards

- (a) Performance Evaluation; Adjustment of Goals - At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, shall specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be:
- (i) judgments entered or settlements reached in litigation;
 - (ii) the write-down of assets;
 - (iii) the impact of any reorganization or restructuring;
 - (iv) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results;
 - (v) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year;
 - (vi) the impact of any mergers, acquisitions, spin-offs or other divestitures; and
 - (vii) foreign exchange gains and losses.
- (b) Adjustment of Performance-Based Awards - The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award

Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

SECTION 6 AMENDMENT AND TERMINATION

6.1 Amendments and Termination of this Plan

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to:

- (a) any required approval of any applicable regulatory authority or the Exchange; and
- (b) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - (i) amendments of a “housekeeping nature”;
 - (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
 - (iii) amendments which are necessary to comply with applicable law or the requirements of the Exchange;
 - (iv) amendments respecting administration and eligibility for participation under this Plan;
 - (v) changes to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including changes to the vesting provisions and terms of any Awards;
 - (vi) amendments which alter, extend or accelerate the terms of vesting applicable to any Awards; and
 - (vii) changes to the termination provisions of an Award or this Plan which do not entail an extension beyond the original fixed term.

If this Plan is terminated, prior Awards shall remain outstanding and in effect in accordance with their applicable terms and conditions.

6.2 Amendments to Awards

The Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively.

No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either:

- (a) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard; or
- (b) is not reasonably likely to significantly diminish the benefits provided under such Award.

SECTION 7 GENERAL PROVISIONS

7.1 No Rights to Awards

No Director, Key Employee, Consultant or other Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award. There is no obligation for uniformity of treatment of Directors, Key Employees, Consultant or holders or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each Participant.

7.2 Withholding

The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes.

7.3 No Limit on Other Security-Based Compensation Arrangements

Nothing contained in this Plan shall prevent the Company or a Subsidiary from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

7.4 No Right to Employment

The grant of an Award shall neither constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in an applicable Award Agreement.

7.5 No Right as Shareholder

Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Restricted Share Units, Performance Share Units and/or Deferred Share Units until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.

7.6 Governing Law

This Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

7.7 Severability

If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.

7.8 No Trust or Fund Created

Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.

7.9 No Fractional Shares

No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.

7.10 Headings

Headings are given to the Sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

7.11 No Representation or Warranty

The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.

7.12 No Representations or Covenant with Respect to Tax Qualification

Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.

7.13 Conflict with Award Agreement

In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.

7.14 Compliance with Laws

The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

- (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

SECTION 8 EFFECTIVE DATE OF THIS PLAN

8.1 Effective Date

This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Board.

SECTION 9 TERM OF THIS PLAN

9.1 Term

This Plan shall terminate automatically 10 years after the Effective Date and may be terminated on any earlier date as provided in Section 6 hereof.